

2020 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

AMENDMENT NO. 626

At the request of Mr. MORAN, the name of the Senator from Missouri (Mr. BLUNT) was added as a cosponsor of amendment No. 626 intended to be proposed to S. 1790, an original bill to authorize appropriations for fiscal year 2020 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REED:

S. 1885. A bill to ensure that irresponsible corporate executives, rather than shareholders, pay fines and penalties; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Mr. President, today, I am reintroducing the Corporate Management Accountability Act, which asks each publicly traded company to disclose its policies on whether senior executives or shareholders bear the costs of paying the company's fines and penalties.

In 2014, William Dudley, then the President of the Federal Reserve Bank of New York, gave a speech on Enhancing Financial Stability by Improving Culture in the Financial Services Industry. In this speech, President Dudley said, "in recent years, there have been ongoing occurrences of serious professional misbehavior, ethical lapses and compliance failures at financial institutions. This has resulted in a long list of large fines and penalties, and, to a lesser degree than I would have desired employee dismissals and punishment. . . . The pattern of bad behavior did not end with the financial crisis, but continued despite the considerable public sector intervention that was necessary to stabilize the financial system. As a consequence, the financial industry has largely lost the public trust."

Since 2009, banks globally have paid \$372 billion in penalties, according to the Boston Consulting Group. However, despite these fines, financial institutions continue to engage in unacceptable behavior, whether it is Wells Fargo betraying the trust of its customers by opening unauthorized accounts or it is Equifax endangering millions of consumers by compromising critical personal information. Indeed, in my home State of Rhode Island, almost half the State may have been impacted by the cybersecurity breach at Equifax. These and other breaches and lapses illustrate how far financial institutions have to go in rebuilding the trust of Rhode Islanders and the American people.

At the same time, it is evident that simply fining and penalizing financial institutions at the corporate level is not enough to deter bad actors. Senior executives, many of whom are all too eager to take credit for a company's good news, must also take more responsibility for the bad news, especially if it is true that the buck stops with them. For example, the Financial Crisis Inquiry Commission concluded "the financial crisis reached cataclysmic proportions with the collapse of Lehman Brothers," and yet, according to the Congressional Research Service, not a single senior executive officer at Lehman Brothers at the Federal level was charged, went to jail, or personally paid a Federal fine or penalty for the damage caused at Lehman Brothers that rippled through our economy in 2008.

According to Professor Peter J. Henning, who also writes the White Collar Watch column in the New York Times, "a problem in holding individuals accountable for misconduct in an organization is the disconnect between the actual decisions and those charged with overseeing the company, so that executives and corporate boards usually plead ignorance about an issue until it is too late."

The Corporate Management Accountability Act I am reintroducing today is one attempt at helping to solve this problem. The bill simply asks publicly traded companies to disclose whether they expect senior executives or shareholders to pay the cost of corporate fines or penalties. This approach is supported by University of Minnesota Law School Professors Claire Hill and Richard Painter, who also served as President George W. Bush's chief ethics lawyer, as well as Americans for Financial Reform.

I urge all my colleagues to join this legislative effort to hold senior executives accountable for their actions.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 636. Mr. MARKEY submitted an amendment intended to be proposed by him to the bill S. 1790, to authorize appropriations for fiscal year 2020 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes; which was ordered to lie on the table.

SA 637. Mr. MARKEY submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 638. Ms. CANTWELL submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 639. Ms. BALDWIN submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 640. Ms. BALDWIN submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 641. Mrs. MURRAY submitted an amendment intended to be proposed by her

to the bill S. 1790, supra; which was ordered to lie on the table.

SA 642. Mrs. MURRAY submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 643. Mr. VAN HOLLEN (for himself, Mr. TOOMEY, Mr. BROWN, Mr. PORTMAN, Mr. MARKEY, Mr. GARDNER, and Mr. CRUZ) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 644. Mrs. FEINSTEIN (for herself and Ms. HARRIS) submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 645. Mr. BLUMENTHAL (for himself, Mrs. MURRAY, Mr. MARKEY, Mr. HEINRICH, Mr. LEAHY, Mr. WHITEHOUSE, and Mr. BOOKER) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 646. Mrs. SHAHEEN (for herself, Mr. ROUNDS, Mr. CASEY, and Ms. HARRIS) submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 647. Mr. HEINRICH (for himself and Mr. UDALL) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 648. Mr. PORTMAN (for himself and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 649. Mr. WICKER (for himself and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 650. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 651. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 1790, supra; which was ordered to lie on the table.

SA 652. Mr. BARRASSO (for himself, Mr. WHITEHOUSE, Mrs. CAPITO, Mr. CARPER, Mr. CRAMER, Ms. SMITH, Mr. ROUNDS, Mr. COONS, Mr. HOEVEN, and Mr. MANCHIN) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 653. Mr. CRAPO (for himself, Mr. WARNER, Mr. DAINES, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 654. Mr. CORNYN (for himself and Ms. ROSEN) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 655. Mr. ROMNEY submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 656. Mr. ROMNEY submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 657. Mr. ROMNEY submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 658. Mr. COTTON (for himself, Mr. SCHUMER, Mr. CRAPO, Mr. BROWN, Mr. RUBIO, Mr. MENENDEZ, Mrs. SHAHEEN, Mr. TOOMEY, Mr. CORNYN, Mrs. CAPITO, Mr. PETERS, Mr. MARKEY, Mrs. FEINSTEIN, and Mrs. BLACKBURN) submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.

SA 659. Mr. RUBIO submitted an amendment intended to be proposed by him to the bill S. 1790, supra; which was ordered to lie on the table.